



JUL 18 2014

The Honorable Terrence McAuliffe
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, VA 23219

Dear Governor McAuliffe:

The Employment and Training Administration (ETA) is responding to your request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. On July 22, 2014, the Workforce Innovation and Opportunity Act (WIOA) was enacted. Many of WIOA's provisions take effect on July 1, 2015, but the existing WIA state and local plan provisions remain in effect until July 1, 2016. ETA is conducting a review of WIOA's implementation timeline and provisions, and will be issuing guidance in the future regarding the new State Unified Plan provisions and waivers as part of its implementation actions. Current WIA Waiver approval timelines have been adjusted in accordance with the expected end date (June 30, 2016) for the existing WIA State Plans. The following is the disposition of the State's waiver request (copy enclosed).

Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State is requesting a waiver to increase the amount the State is allowed to transfer between the Adult and Dislocated Worker funding streams to 75 percent. ETA's Philadelphia Regional Office requested additional information from the State regarding its request, which ETA has not yet received. Specifically, the State must identify the specific local areas for which the higher level of funding is needed and provide supporting financial documentation. Until the State provides ETA with this information, the State's waiver allowing 50 percent transfer authority between the Adult and Dislocated Worker funding streams (approved on December 13, 2012) remains in place.

We will reevaluate the State's waiver request upon receipt of the additional information. Please note that in any future request for this waiver, the State must also describe indicators or information gathering it will use to track improved outcomes, and must report on the results of the waiver in the WIA Annual Report, especially how services were maintained to both populations.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Toby Willis, the Federal Project Officer for Virginia, at 215-861-5524 and Willis.Tobby@dol.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Portia Wu", with a long horizontal flourish extending to the right.

Portia Wu
Assistant Secretary

Enclosure

Cc: Leo Miller, Acting Regional Administrator, ETA Philadelphia Regional Office
Toby Willis, Federal Project Officer for Virginia



April 16, 2014

E-mailed: 4/16/2014 (gt)

Office of Workforce Investment
Division of WIA Adult Services and Workforce Systems
Employment & Training Administration
U.S. Department of Labor (USDOL)
200 Constitution Ave., NW, Room S-4209
Washington, DC 20210
Attn: Federal Coordinator for Plan Review and Approval

I am writing as a result of the conference call held on March 6, 2014 in which Secretary Perez shared the President's goals for a job-driven approach to workforce development. He called upon the states to review requested and approved waivers from other states and potentially utilize those to stimulate further progress in workforce development in our own state. The Commonwealth of Virginia would like to hereby request an amendment to its 2012 Workforce Investment Act/Wagner-Peyser (WIA/W-P) State Plan with the following request:

- A waiver of the funds transfer limitation for the Adult and Dislocated Worker (DW) funding streams, as described in the Workforce Investment Act (WIA) Section 133(b)(4), to allow transfers of up to 75 percent for each of the approved years of the State Plan.

This waiver request is in addition to our currently approved waiver through June 30, 2017, which allows transfers of up to 50 percent between Adult and DW funding streams. This request is made under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act. The statutory waiver request will maximize the impact of WIA dollars as well as provide greater flexibility and increased capacity to respond to employers' and participants' training needs. Additionally, it ensures that our One-Stop Delivery System is provided with the utmost flexibility to serve participants under each of the three WIA funding streams.

I am confident this waiver request (and the attached justification template) meets the prescribed requirements of the USDOL and I look forward to your approval. If you have questions, please contact me by telephone at (804) 819-4782 or via e-mail at cherndon@vccs.edu.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Craig Herndon", written over a horizontal line.

M. Craig Herndon, Ph.D.
Vice Chancellor for Workforce Development

cc: Ms. Lenita Jacobs-Simmons, Region 2 Administrator

DATE: 4/9/14
STATE: Commonwealth of Virginia
AGENCY: Virginia Community College System (VCCS)

The Commonwealth of Virginia seeks approval of a statutory waiver in accordance with the Workforce Investment Act (WIA) Section 189(i)(4)(B) and the WIA Regulations at 20 CFR 661.420(c) for Program Years (PY) 2014-2017 as an amendment to our 2012 State Strategic Plan. This waiver request will allow the Commonwealth to maximize flexibility in funding for our workforce investment system to effectively respond to employers' and participants' needs. This request is made under the Secretary's authority at the WIA Section 189(i) to waive certain requirements of the WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

Statutory and/or regulatory requirements to be waived:
WIA Section 133(b)(4)

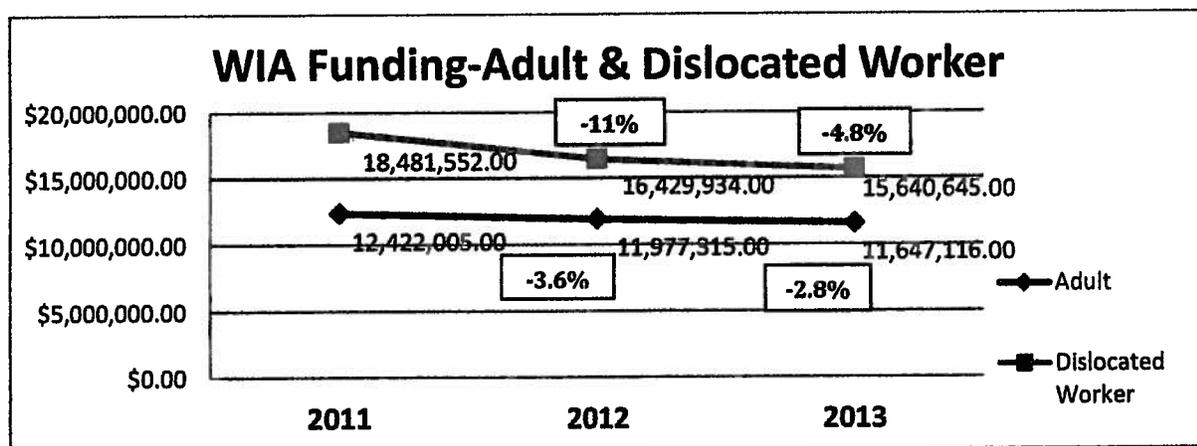
Virginia requests a waiver from the existing funds transfer limitation governing transfers between the Adult and Dislocated Worker (DW) funding streams.

The requested waiver will increase the allowable transfer amount for the Adult and DW funding streams for funds allocated to local areas. The waiver will allow local areas to transfer up to 75 percent of funds between the Adult and DW funding streams.

Actions undertaken to remove State or local barriers:
Currently, no Commonwealth/State or local barriers exist.

Goals and Expected Programmatic Outcomes of Waiver:

The Commonwealth of Virginia has a workforce system with unique customer realities and needs: a variance of population centers in urban, suburban and rural districts, diversity in societal characteristics and demographics, and a plethora of employers/businesses across industry sector and classifications. The Commonwealth of Virginia works in broad collaboration with and among the WIA strategic partners to stretch federal WIA resources and accommodate the needs of Adult and Dislocated Worker program participants. However, federal resources have decreased in the last few years to the Commonwealth (*see graph below*) and that has resulted in decreased allocations to our Local Workforce Investment Areas. These reductions come at a time when continuing economic shifts make it critical to have the flexibility to rapidly deploy strategies that address worker and employer needs.



Should the waiver be granted at the level requested and for the remaining duration of the State Strategic Plan, the Commonwealth of Virginia expects to see the following goals and outcomes:

- Empower the Commonwealth to effectively and efficiently apply funds where they are most needed in order to achieve its workforce goals as well as flexibly respond to needs of customers and labor markets;
- Provide local WIBs with the maximum in flexibility to respond to changes in their local labor markets and develop funding strategies that align with the economic realities in their service delivery areas;
- Allow local WIBs to be responsive to businesses in a demand-driven environment;
- Enhance the local WIBs' ability to respond to fluctuating needs for training services and to respond to employer needs for workers trained in employer specific skills.

Individuals impacted by the waiver:

This waiver may potentially impact all local workforce investment areas and their WIA participants.

Process for monitoring progress in implementation:

Annual WIA on-site programmatic and fiscal reviews are conducted from the Virginia Community College System's Workforce Development Service's Division of Research & Evaluation to ensure programmatic goals and outcomes are being met and that all compliance matters, including fiscal, are monitored.

WIA Directors, including the Director of Resource Administration and the Director of WIA Programs, are dedicated to the administration of the WIA programs and commit to continuously examining the effectiveness of waivers in coordination with local WIB Directors throughout the Program Year. This strategy will ensure that the goals of the waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser strategic plans, are consistent with the established objectives of WIA federal and state regulations.

Notice to affected local boards

The waiver request was posted at <http://vwn.vccs.edu/> for comment and review by local WIBs and the general public.

Public Comment

In accordance with the WIA Regulations at 20 CFR 661.230(d), which provides requirements for public review and comment, Virginia's waiver request was posted at <http://vwn.vccs.edu/> for comment and review by local WIBs and the general public. No public comments were received.